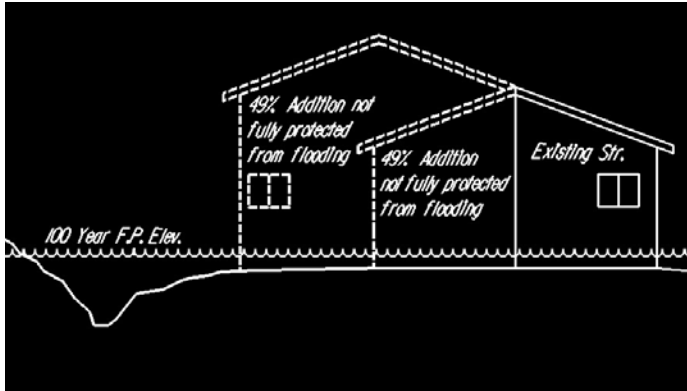


Floodplain Management: Cumulative Substantial Improvements



Description

“Substantial Improvements” means any rehabilitation, addition or other improvement of a building when the cost of the improvement equals or exceeds 50% of the market value of the building before the start of construction of the improvement. This term includes any improvements made to a structure due to damage incurred by flood, fire, tornadoes, etc...

FEMA regulations require that any structure being “substantially improved” must be brought into compliance with floodplain regulations, including any additions that are part of the improvement.

Issue - Currently the City’s ordinances allow unlimited non-substantial improvements to structures. For example, a \$ 100,000 building could be improved to 49% of its’ value, when it would become an \$149,000 structure which could be improved to 49% of the new value... etc.. This is a problem because you can, substantially and repeatedly increase a buildings value without having to protect it from flooding.

Advantages

- ★ Seeks a balance between allowing future expansions and preserving flood storage.
- ★ Structures with multiple improvements are more likely to be protected from flood damage.
- ★ Provides flexibility to existing businesses in the older, developed areas of Lincoln where significant investments have already been made.
- ★ Prevents cost of repair/replacement falling to tax payers if the structure is flooded as part of a larger event that is declared an emergency.

Disadvantages

- ☹ Improvements beyond 49% of initial value would be a greater cost for existing homes and businesses in the floodplain, which would be required to bring the entire structure into compliance.
- ☹ Requires system tracking to be implemented and enforced.

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Implementation Considerations

- Provide start of construction date and begin tracking of all improvements after that date.
- An alternate standard would be to lower the 50% threshold to 25%, or another percentage.
- Improvements could also be limited to a certain percentage every 5 years, 10 years, etc..

References

- www.fema.gov/substantial